

House Republican Press Release

April 24, 2006
Press Office: 860-240-8700

ELIMINATE THE CAR TAX



By State Rep. Lawrence F. Cafero Jr.

The legislature still has time to enact real property tax reform before the scheduled conclusion of the regular session on May 3. The proposed elimination of the motor vehicle tax that Gov. M. Jodi Rell put on the table nearly three months ago is affordable, will help an overwhelming number of taxpayers and is just good public policy.

The current system penalizes those who rent and do not own a home, hurts drivers in larger cities that typically have higher mill rates and multiple-car families. Why is it that the motorist living in Bridgeport pays three times the car tax as the motorist in New Canaan 17 miles away, the town with the highest per capita income in the state, on the same four door sedan?

Gov. Rell's plan re-directs casino gambling revenue to towns and cities and replaces the revenue lost in from eliminating the tax. Municipalities would be made whole because they would receive 100 percent of the car taxes owed in the form of direct state grants.

Seniors would also retain their property tax credit on their homes under this plan.

Opponents in the legislature claim that the "state" might not live up to its obligations in the future and that could lead to higher local taxes. But it is not the "state" that would be held responsible – the elected lawmakers that voters send to Hartford would be held accountable for not keeping the bargain.

This plan represents a net \$325 million property tax cut. It would benefit the overwhelming number of Norwalk citizens who rely on their car to get to work and travel for pleasure. There is a misconception that the numbers do not add up. They do. This proposal is fair and does not single out one particular demographic or taxpayer for reward or punishment.

We should act responsibly and actually get rid of a tax.

A competing proposal drafted only after Gov. Rell put her plan forward would increase the property tax credit to \$500 next year from the current level of \$350. But that tax credit would only be temporary because history proves the benefit to be fleeting. The Democratic-controlled legislature has moved the tax credit up or down three times in the last few years, depending on whether we experience flush economic times or fiscal distress.

The competing proposal is part of a proposed budget that would spend every dime of the current \$650 million surplus and beyond, thereby creating an estimated \$1.2 billion budget deficit that would have to be covered in 2007. That would require elimination or reduction of the property tax credit.

If legislative leaders refuses to bring the matter up for a vote the taxpayers and motorists will be penalized. Lawmakers who put politics over public policy in an election year will then have to suffer the consequences.